

## MINUTES

### VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS

January 16, 2008 - 12:00 P.M.

Eighth & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia

- I. Voting members present: Hattie Hamlin, Bob Young (on behalf of the Honorable J. Braxton Powell), George Bryan, Jane-Scott Cantus, Pallabi Saboo, Michael Joyce, and Jack Stephens.  
Others present: Lynda Sharp Anderson, Scott Parsons, Barbara Carter, Mary Jo Sisson-Vaughan, Patty Thorne, Patricia Musial, and Anna Mackley Cobb.
- II. Approval of Minutes - On a motion by Bob Young, seconded by Michael Joyce, the minutes of the December 19, 2007 Board of Directors Meeting - Loan Business were unanimously approved. (Mr. Stephens was not present for the vote.)
- III. Economic Development Loan Fund Application
  - A. Showbest Fixture Corporation - Nottoway County - \$1,000,000. Anna Mackley Cobb presented this loan request to the Board. On a motion by Pallabi Saboo, seconded by Jack Stephens, the Board of Directors unanimously approved a \$1,000,000 10-year term loan through the Economic Development Loan Fund to finance the purchase of new manufacturing equipment for the company's additional facility in Nottoway County.
- IV. Resolution to Approve and Adopt By-Laws and Credit Guidelines - On a motion by Pallabi Saboo, seconded by George Bryan, the Board of Directors adopted the VSBFA By-Laws and the Credit Guidelines and Procedures Manual for 2008.
- V. Proposed VSBFA Bond Pricing Policy for Conduit Issuance of Tax-Exempt Bonds to 501 c 3 Entities - Scott Parsons presented to the Board a draft resolution on sharing administrative fees received for private activity bond issuances for large projects. A discussion ensued at length about the bond process, the need for this resolution, the proposed fee schedule, and its impact on localities. The Board suggested changes to the pricing amounts and re-wording of one section of the resolution. Mr. Parsons will re-draft the document and submit it to Board members for additional comments prior to next month's meeting.

- VI. Board Review and Ratification of Loans Approved/Declined by Staff - On a motion by Michael Joyce, seconded by Pallabi Saboo, the loan decisions of \$500,000 or less approved/declined by staff for November/December 2007 were unanimously ratified.

VII. Other Business

- A. Budget Issues - Scott Parsons briefly recapped to Board members the budget discussion with Secretary Gottschalk at the December 2007 board meeting. As a result of those discussions, George Bryan and Mr. Parsons met with Senator Stolle of Virginia Beach. A budget amendment for a \$5 million request for funding for VSBFA has been submitted to the General Assembly.
- B. Partnership with SBA (HB 1459) - Scott Parsons reminded the Board that at the December 2007 meeting the Financing Authority entered into a first-in-the-nation partnership with the Small Business Administration to offer a new enhancement to our Loan Guaranty Program known as the Supplemental Guaranty Enhancement Program. Mr. Parsons gave the Board information on House Bill 1459, which modifies VSBFA's legislation to allow the Authority to create a preferred lender program. If embraced by the banking community, this could expand the LGP and assist more businesses in receiving small business loans. Mr. Parsons is waiting to hear from the Virginia Bankers Association regarding their support of this legislation.
- C. New Marketing Strategy - Board members were informed by Mr. Parsons that staff has started a check presentation ceremony for certain loan deals. This is an effort to increase awareness of the Financing Authority in local communities throughout the state. These events will bring attention to the projects financed by the Authority and hopefully be remembered by the legislators. The Mimslyn Inn project in Page County received the first check and the ceremony was attended by Senator Obenshain, Board member Jack Stephens, and local officials from the Page County IDA and Board of Supervisors. Mr. Parsons noted that Board members would be kept abreast of the presentations so they could attend an event in their locality.
- D. Administration of State Allocation - Information on House Bill 1073 was given to each Board member. Scott Parsons explained to the Board the Authority's role in managing and administering the state's allocation cap. Mr. Parsons then informed the Board that HB 1073 is legislation proposed by VHDA to remove the management of the housing allocation and the governor's discretionary pool from the Financing Authority leaving it to manage the industrial development allocation pool only.

- VIII. The meeting was adjourned.